<u>REMARKS</u>

Reconsideration and allowance of the present patent application based on the foregoing amendments and following remarks are respectfully requested.

By this Amendment, claims 2 and 4-6 are amended, claims 1, 3 and 7-9 are cancelled without prejudice or disclaimer to the subject matter therein and claim 10 is newly added. Support for the amendments to the claims and new claim 10 may be found, for example, in the embodiments of the invention described in pages 14, 15 and 32. No new matter is added. Accordingly, after entry of this Amendment, claims 2, 4-6 and 10 will remain pending in the present patent application.

Claim 9 was rejected under 35 U.S.C. §112, second paragraph. Claims 1 and 3 were rejected under 35 U.S.C. §102(e) based on Mooney *et al.* (U.S. Pat. No. 6,351,813) (hereinafter "Mooney"). Claims 1, 3 and 9 are cancelled without prejudice or disclaimer to the subject matter therein, thus rendering moot the rejection of these claims.

Claims 2 and 4-9 were rejected under 35 U.S.C. §103(a) based on Mooney. The rejection is respectfully traversed.

Claims 7-9 are cancelled without prejudice or disclaimer to the subject matter therein, thus rendering moot the rejection of these claims.

Claim 2 recites an IC card terminal unit comprising communication means for communicating data between two IC cards; first key setting means for storing a plurality of second keys for encoding or decoding a first key in the two IC cards respectively by transmitting a key setting instruction to which the plurality of second keys are added to the two IC cards through the communication means; confirmation means for confirming whether setting of the second key by the first key setting means properly ends; key generation means for generating the first key for encoding or decoding data in the former IC card by transmitting a key generation instruction to one of the two IC cards through the communication means when it is confirmed by the confirmation means that setting of the second key properly ends; key takeout means for taking out the first key generated in the former IC card generating the first key by the key generation means through the communication means by transmitting a key takeout instruction to the former IC card through the communication means, the generated first key being encoded by said plurality of second keys in the former IC card; and second key setting means for storing the first key in the latter IC card, the first key being decoded by said plurality of second keys, by transmitting an

encoding-key setting instruction to which the encoded first key taken out of the former IC card by the key takeout means is added to the latter IC card of the two IC cards.

As conceded by the Examiner on page 8 of the Office Action, Mooney fails to disclose, teach or suggest a confirmation means for confirming whether setting of the second key by the first key setting means properly ends. However, Applicant respectfully submits that there are additional features that are absent in Mooney. For example, Mooney fails to disclose, teach or suggest first key setting means for storing a plurality of second keys for encoding or decoding a first key in the two IC cards respectively by transmitting a key setting instruction to which the plurality of second keys are added to the two IC cards through the communication means.

Mooney discloses an access control/crypto system having a smart card reader and an access control program for requesting information from a user to determine if the user is authorized to access the computer. (*See* col. 1, lines 59-62). Mooney discloses that two methods may be used for key duplication and key sharing between an owner and a guest. (*See* col. 10, lines 62-67 and col. 11, lines 1-40). In the first key transfer method, Mooney discloses that the selected key is extracted from the smart card and stored in the memory of a PC and then subsequently transferred/copied to the guest's smart card after the guest has entered the security access code and has answered a question. (*See* col. 11, lines 7-16). In the second key transfer method, Mooney discloses that the owner of the key is asked by the computer system to enter a question and answer set which will be presented to the guest and that the answer is converted into an encryption key which is used by an encryption algorithm to encrypt the real key to be exported. (*See* col. 11, lines 17-23). Mooney further discloses that the key to be exported is then encrypted with this new key and transferred to the guest. The guest is then presented with the question which the owner supplied and the answer given by the guest is converted into an encryption key used to decrypt the exported key with an algorithm similar to that used on the owner's side. (*See* col. 23-40).

However, unlike claim 2, Mooney is silent as to first key setting means for storing a plurality of second keys for encoding or decoding a first key in the two IC cards. Mooney merely discloses that a single key is used to encode the key to be transferred from the owner to the user. Mooney states, for example, at col. 11, lines 24-25: "the key to be exported is then encrypted with this new key and the encrypted information is written to a file." (Emphasis added). Mooney further states at col. 11, lines 29-31: "the remote user must acquire the manual key from the owner separately via telephone, fax, courier, etc...". (Emphasis added). Applicant respectfully submits that Mooney does not hint at the

possibility of encoding or decoding a first key with a plurality of second keys. Therefore, it is respectfully submitted that this feature is not rendered obvious in view of Mooney.

Applicant respectfully submits that one of the features of claim 2 is that a decoding key and an encoding key (first key), which are generated in an IC card, are encoded by a plurality of second keys that are in the IC card and taken out to the terminal unit. The encoded decoding key and the encoding key are sent to another IC card and written into a memory after being decoded by a plurality of second keys, so that a backup card (duplicate card) is prepared.

Claim 6 is patentable over Mooney for at least similar reasons as provided in claim 2 and for the additional features recited therein. Namely, claim 6 is patentable over Mooney at least because this claim recites an IC card duplication method using a first IC card to be duplicated in which at least a first key for encoding or decoding data is stored, a duplicating second IC card, and a terminal unit for handling these first and second IC cards, comprising, *inter alia*, a first step of transmitting a key-setting instruction to which a plurality of second keys for encoding or decoding the first key is added from the terminal unit to the first and second IC cards; a second step of receiving the key-setting instruction transmitted from the terminal unit and storing the plurality of second keys added to the key-setting instruction in the first and second IC cards. As mentioned previously, these features are not rendered obvious in view of Mooney. Therefore, Applicant respectfully submits that claim 6 is patentable.

Claims 4 and 5 are patentable over Mooney at least by virtue of their dependency from claim 6 and for the additional features recited therein.

Accordingly, reconsideration and withdrawal of the rejection of claims 2 and 4-5 under 35 U.S.C. §103(a) based on Mooney are respectfully requested.

Claim 10 is newly added and defines additional subject matter that is novel and non-obvious over the art of record. Claim 10 is patentable over the art of record at least by virtue of its dependency from claim 2 and for the additional features recited therein. Therefore, Applicant respectfully submits that claim 10 is in condition for allowance.

Applicant has addressed the Examiner's rejections and respectfully submits that the application is in condition for allowance. A notice to that effect is earnestly solicited. If any point remains in issue which the Examiner feels may be best resolved through a personal or telephone interview, please contact the undersigned at the telephone number listed below.

Please charge any fees associated with the submission of this paper to Deposit Account Number 033975. The Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

Respectfully submitted,

PILLSBURY WINTHROP SHAW PITTMAN LLP

CHTISTOPHE F. LAIR
Reg. No. 54248
Tel. No. 703.770.7797
Fax No. 703.770.7901

JDK/CFL
P.O. Box 10500
McLean, VA 22102
(703) 770-7900

30550753v1